Manitoba

Annual Report 1987

Manitoba Mediation Board

For the period ending March 1987

Manitoba

Minister of Agriculture

Room 165
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

To His Honour,
George Johnson,
Lieutenant-Governor for
the Province of Manitoba.

Your Honour:

I have the honour to submit herewith the report of the Manitoba Mediation Board for the period December 15, 1986 to March 31, 1987.

Your obedient servant,

Leonard Harapiak,
Minister of Agriculture.

Manitoba

Manitoba Mediation Board

600 — 491 Portage Avenue
Winnipeg, Manitoba, CANADA
R3B 2E4

Honourable Leonard Harapiak
Minister of Agriculture
165 Legislative Building
Winnipeg, Manitoba
R3C 0V8

Dear Mr. Harapiak:

In accordance with the provisions of *The Family Farm Protection Act*, I have the honour to forward to you the Annual Report of the Manitoba Mediation Board for the fiscal year ending March 31, 1987.

Respectfully submitted,

Fred Tufford
Chairperson
Manitoba Mediation Board

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Introduction

The *Family Farm Protection Act*, which created the Manitoba Mediation Board, was assented to by the Manitoba Legislative Assembly September 10, 1986. Parts 1, 2, 6, 7 and 8 were proclaimed on December 15, 1986 and Part 3 on February 9, 1987. Parts 4 and 5 are yet to be proclaimed.

The Act has five objectives:

1. to protect farmers against unwarranted loss of their farming operations during periods of difficult economic circumstances;
2. to preserve the agricultural land base of Manitoba and to ensure that farmland is farmed and managed during periods of difficult economic circumstances;
3. to preserve management skills of farmers during periods of difficult economic circumstances;
4. to preserve the human resources of the agricultural community of Manitoba;
5. to preserve the existing lifestyle of farm communities in Manitoba and the tradition of locally-owned and managed family farms.

The *Family Farm Protection Act* is the basis for facilitating improved communication between creditors and farm debtors, ensuring that individual farmers receive fair and consistent treatment.

The Manitoba Mediation Board

The *Family Farm Protection Act* requires that a board provide policy directions and guidelines. To this end, the Manitoba Mediation Board was established during the fiscal year under review. At any given time, the Board cannot have less than five or more than nine members. Its day-to-day operations are carried out by an Executive Director and support staff.

One of the Manitoba Mediation Board's main functions is to become involved in foreclosure proceeedings. Under Part 3 of the Act, a lender who intends to foreclose on farmland must make application to the Court of Queen's Bench. Copies of the application must be served upon the farmer and upon the Manitoba Mediation Board.

After the Board has received its copy, it has up to 90 days to analyze the case and prepare a report for the Court. During this time, it attempts to identify the farmer's financial problems, prepare alternative plans to establish a viable operation, and bring farmers and their respective lenders together to explore alternatives to foreclosure.

In the pursuit of an alternative to foreclosure, mediation between the farmer and his/her creditors is carried out by a mediation panel. This panel is appointed by the Manitoba Mediation Board and consists of at least three members — including farmers with expertise in the type of farm operation under consideration. Technical support to these panels is provided by Manitoba Agriculture Farm Management Specialists in the areas of assessment and analysis of financial situations.

Once the Manitoba Mediation Board receives information from the mediation panel and the Farm Management Specialist, it prepares its report to the Court, the lender and the farmer — before expiry of the 90 day period.

The lender may apply to the Court for a hearing any time after receiving a copy of the Board's report, and must give the farmer at least 15 days notice of the date of the hearing. The Court may adjourn the hearing, grant the relief sought, or grant other procedural relief it considers appropriate.

Peer Advisory Committee

Under Part 6 of the Act, a farmer in financial difficulty may request assistance from the Peer Advisory Committee to review his or her financial arrangements with creditor(s). The purpose is to settle problems without legal proceedings, with the farmer taking the initiative. After the nature of the assistance required has been determined, a Peer Advisory Panel may be established to make inquiries and provide advice to the farmer.

The Peer Advisory Committee is made up of active and recently retired successful farmers from all parts of the province. (See Appendix I.)

Manitoba Mediation Board Membership

Membership as of March 31, 1987:

Fred Tufford
Chairperson ..... Portage la Prairie
Marion McNabb
1st Vice-Chairperson ..... Minnedosa
Moray Clayton
2nd Vice-Chairperson ..... Winnipeg
Sally Cunningham ..... Member ..... Nesbitt
Joe Klym ..... Member ..... Arborg
Bob Levenstein ..... Member .....Winnipeg
John Loewen ..... Member ..... Steinbach
Jacie Skelton ..... Member ..... Sinclair
Tom Smart ..... Member ..... Ochre River

Officers and Employees

As at March 31, 1987:

S.N.H. Westdal ..... Executive Director
Herb Schellenberg ..... Mediation Analyst
Peter Blawat ..... Mediation Analyst
Nat Okwumabua ..... Analyst
Tannis Gordon ..... Administrative Secretary

S.N.H. Westdal is on secondment from the Manitoba Agricultural Credit Corporation; all others are on secondment from Manitoba Agriculture. Permanent staff positions are being identified, and arrangements have been initiated to hire permanent staff.

Farm Financial Advisors from Manitoba Agriculture are utilized in the assessment of individual farmer's financial situations. The Manitoba Mediation Board has approved a list of people who may be called upon on a per diem basis, when additional help is required.

The Manitoba Mediation Board Office

The office of the Manitoba Mediation Board is located at:

600 — 491 Portage Avenue
Winnipeg, Manitoba,
R3B 2E4

Telephone: 945-0357

Board Meetings

The Board met four times since its inception in January of 1987, in order to discuss policy and consider applications:

January 20th, 1987
February 3rd, 1987
February 17th, 1987
March 13th, 1987

Applications

The Board received three Applications for Leave from creditors under Part 3 of the Act and two applications for assistance from farmers under Part 6, for the period ending March 31, 1987.

The Board would point out that Part 3 of *The Family Farm Protection Act*, which is the statutory mechanism by which applications are received, was not proclaimed in force until February 9, 1987. In addition, given that all farm foreclosures must now proceed by way of an Application for Leave, a relatively low volume of applications may be taken as one indicator of the effectiveness of *The Family Farm Protection Act*.

Agreements Registered

One agreement, totally independent of the five applications, was registered under Section 30(1) of the Act.

Requests for Information

Numerous personal and telephone inquiries from lenders, lawyers, accountants, agencies, farmers and other interested individuals were received by the Board office. People requested information regarding rights and requirements of the Act, and the detailed procedures for its implementation. Appropriate information was provided as necessary.

Specialized Activities

Manitoba Mediation Board staff assisted the Board in establishing its operating procedures and conducting operations.

An *Application for Leave*, consisting of three forms required by the Act, was prepared and distributed widely to various lenders.

A 20-page form titled *Farm Financial Statement* was prepared to help Farm Financial Advisors collect financial information, prepare farm plans, and assess debt-servicing capability. An instruction manual was also developed to assist advisors in completing the statement, and summary forms were prepared.

A one-day workshop was held in Winnipeg for potential Farm Financial Advisors, where all forms used by the Manitoba Mediation Board were explained and demonstrated.

Manitoba Mediation Board members and/or Manitoba Mediation Board personnel participated in meetings with the following groups and agencies:

- Regional Directors, Manitoba Agriculture
- Manitoba Agriculture extension staff
- Canadian Bankers Association
- Credit Unions and Caisse Populaire Central
- Farm Credit Corporation
- Federal Farm Debt Review Board
- Manitoba Agricultural Credit Corporation
- Carman Farm Business Association
- Selkirk Credit Seminar
- Brandon University Agriculture Seminar

Board Expenditures

(Fiscal Year Ended March 31, 1987)

	Salaries	Expenses
Board Members	$10,104.00	$ 2,277.00
Office Staff	—	$ 1,170.66
Office Equipment, Furniture, and Supplies	—	$29,868.85 *
Farm Financial Advisors (Non Manitoba Agriculture Staff)	723.70	$ 1,368.08
TOTALS	$10,827.70	$34,684.59

* *Includes $19,658.22 for micro-computers, related equipment and software.*

Appendix I

Peer Advisory Committee

Richard Lemoing
Basswood, Manitoba
R0J 0C0

Garnet Lee
Box 1575
Minnedosa, Manitoba
R0J 1E0

Robert Smith
Box 241
MacGregor, Manitoba
R0H 0R0

Ralph Lowes
R.R. #1
Brandon, Manitoba
R7A 5Y1

Joe Van Schepdael
East Selkirk, Manitoba
R0E 0M0

Fred Reesink
Sanford, Manitoba
R0G 2J0

Dick Heapy
Oak River, Manitoba
R0K 1T0

Bob Hicks
Souris, Manitoba
R0K 2C0

Owen McAuley
Box 22
McAuley, Manitoba
R0M 1H0

John Morgan
R.R. #1
Sifton, Manitoba
R0L 1X0

Andre Saquet
Laurier, Manitoba
R0J 1A0

Richard Natrasony
Garland, Manitoba
R0L 0W0

Wenzel Preun
R.R. #1
Selkirk, Manitoba
R1A 2A6

Emil Johnson
Oak Point, Manitoba
R0C 2J0

David Gislason
Arborg, Manitoba
R0C 0A0

Art Kornelson
Fisher Branch, Manitoba
R0C 0Z0

Ed Borkowsky
Beausejour, Manitoba
R0E 0C0

Stuart Lawrence
St. Pierre, Manitoba
R0A 1V0

Cliff Hunter
Greenridge, Manitoba
R0A 0P0

Louis Balcaen
La Broquerie, Manitoba
R0A 0W0

John Cook
Dugald, Manitoba
R0E 0K0

Stuart Zander
Durban, Manitoba
R0L 0P0

Tony Tychynski
Amaranth, Manitoba
R0H 0B0

Doug Nesbitt
Treherne, Manitoba
R0G 2V0

Henry Arthur
Box 34
Gladstone, Manitoba
R0J 0T0

Greg Gaudet
Box 129
Somerset, Manitoba
R0G 2L0

Erdman Penner
MacGregor, Manitoba
R0H 0R0

James Duncan
Box 201
Austin, Manitoba
R0H 0C0